

JETRO HOUSTON

An Office of Japan External Trade Organization

1221 McKinney Street, Suite 4141, Houston, Texas 77010

Tel: 713-759-9595

Fax: 713-759-9210

E-mail: inqu-hou@jetro.go.jp

www.jetro.org

July 27, 2009

Department of Justice
Registration Unit
1400 New York Avenue, N.W.
1st Floor – Public Office Suite 100
Washington, D.C. 20005

RE: JETRO, Houston: Registration #2277
Submission of Informational Material

Dear Sir/Madam:

Pursuant to Section 4(a) of the Foreign Agents Registration Act of 1938, as amended, JETRO Houston submits herewith copies of the informational material distributed by our office on behalf of Japan External Trade Organization as attached.

If you have any questions relating to this matter, please contact the undersigned.

Very truly yours,



Kaoru Kurita
Director of General Affairs

Enclosure: JETRO -Houston e-Newsletter Vol. I, No. 1
for the Summer of 2009

2009 JUL -7 PM 12:01
CRM/CES/REGISTRATION UNIT

JETRO Houston

U.S. South Central Region

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JETRO

Japan External Trade Organization

INVEST JAPAN

JETRO's e-Newsletter for Arkansas, Louisiana, Mississippi, Oklahoma and Texas

Vol. I, No. 1 • Summer 2009

Letter from the Chief



Southern hospitality was evident at the Gulf Coast Alliance World Trade Conference in Lake Charles this past April when I spoke about "Why not do business with Japan?" I noted that, although Japan's GDP fell nearly 13% during the last quarter of 2008

— about twice the drop of the U.S. figure for the same period — there has not been a significant drop in Japanese domestic demand. Even though we Japanese are known for our discriminating shopping behavior, and purchase of high quality items, our spending habits have not yet been dramatically altered with the global economic downturn. Because of this, I like to look at the brighter side of the Japanese economy.

Economic reforms by the Japanese government to improve the business climate have already started, and new laws have been introduced to improve Japan's business climate. A combination of these factors explains, perhaps, why JETRO was able to assist 123 foreign firms set-up their businesses in Japan during our fiscal year of 2008. These companies took advantage of our programs and many utilized one of our "Invest Japan Business Support Centers" located in six major metropolitan areas. We're also proud of the fact that, since their inception in 2003, there have been 669 firms that have utilized IBSC services.

We also note with special interest that there were a growing number of foreign firms that were established to provide services to Japanese firms targeting expansion abroad, those setting up bases in a country to be near their clients' head offices. Another notable trend is having foreign firms that were already established in Japan using our support services to expand into regional areas of Japan.

We do hope you will keep in mind JETRO's services when thinking about doing business with or investing in Japan. And, we trust you would recommend our programs to other companies that are considering expanding their business into the Japanese market.

Makoto Kimura
Chief Executive Director

An Insider's Look at IT in Japan

JETRO-Houston partnered with the Metroplex Technology Business Council (www.metroplexthbc.org) in the Dallas region and the Austin Technology Council (www.austintechcouncil.org) to host seminars about IT in Japan. Below are some insights, or "secrets of success," from the presentations.

Tech "Hot Spots" in Japan

■ JAFECO Co. Ltd. Senior Manager Yasuhiro Mimura, www.jafco.co.jp, one of the major venture capital companies in Tokyo, described that, as the world's second largest market, sophisticated consumers in Japan have buying power. Demand for advanced technology products and services, adapted to the Japanese market, are extremely robust. JAFECO Ventures in Palo Alto, California is targeting a number of areas in the U.S. and Japan with a special emphasis on Social Networking Services (SNS), Mobile, Business Intelligence (BI) technologies that include data, and Cloud Computing.

■ JETRO-San Francisco Japan Business Advisor Makoto Abe, Makoto_Abe@jetro.go.jp, Principal with Japan Business Solutions in Palo Alto, California, addressed the conditions of Japan's ICT market. His overview estimated the Japanese ICT market in 2009 at almost \$132 billion with an annual growth rate of about 2.4%. In this figure, hardware accounts for about 40%; software for 20%; and the remaining 40% for custom application software systems development. For cellular services beginning in 2010, Abe said that NTT DoCoMo will begin Long-Term Evolution (LTE) 3.9G service in Japan called "Super 3G."



Makoto Abe provides an insider's look at IT in Japan

In 2011, DoCoMo, KDDI and SoftBank all plan to start providing International Mobile Telecommunication-Advanced (IMT-A). Mobile solutions are expected to increase from \$1.8 billion in 2006 to \$7.1 billion in 2012 and strong security solutions are required. The SaaS (Software as a Service) market in Japan will increase from \$1 billion in 2007 to \$7.7 billion in 2012. And, NGN (Next-Generation Network) can transport all voice, data, and other media, such as video images, through wired and wireless, fixed and mobile networks.

■ John Gordon is Chief Architect with Devicescape Software in San Bruno, California, www.devicescape.com, a leading provider of WiFi security and connectivity software for handsets. For his business, which opened an office in Japan in 2004, software customization is needed and there is continued growth in WiFi as it is being integrated into more and more mobile devices. "Easy WiFi" enables automated access to public hotspots even from browserless devices. Japanese firm Buffalo, a key contributor to WiFi Protected Set-up in Japan, chose Devicescape to help simplify WiFi set-up, and Epson, Fujitsu and Brother have chosen Devicescape to add CCX (Cisco Compatible Extensions) compatibility to their devices. Customers in Japan expect wireless connectivity, and Japanese companies are leading the way by adding WiFi to projectors, DVRs, TVs, cameras, games, and media players, and Sony was innovative with a WiFi device in its "mylo." Gordon, whose firm received funding from JAFECO Ventures, reported his business model was direct sales only rather than using distributors, and that having an office in Japan was essential for working with large companies. Even though affordable office space might be difficult to locate in Tokyo, Gordon's firm utilized the complementary office space at JETRO's Business Support Center in Tokyo. Gordon also took advantage of JETRO's consultation service and legal support for setting up an office to minimize costs and time.

Continued on next page.

An Insider's Look

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■ According to Mimura, one of the best times to set up an office in Japan is after having a sufficient number of clients, customers or partners in Japan to provide support services, or after winning one or more large contracts. "When ten percent of a company's worldwide revenue comes from the Japanese market, or it becomes necessary to improve the quality and speed of support service for one's partners, that's the time to open an office in Japan. Even though cost is an important factor for sales, if the service is good, customers will buy it."

■ To generate a channel strategy, determining which companies should be master and secondary distributors, and which partners have the most and key customers in the target market, it might be best to work with professionals who understand the business structure, market size, shares and trends and evaluate companies in terms of revenue, resources, skills and reputation.

■ To effectively utilize Japanese partners, it is not enough just to find the right company. A good relationship needs to be maintained when promoting products and services by educating one's partners about the best features for the products and the most effective selling points to devise a strong sales pitch. Information must be shared to be sure both partners are on the "right track" and have ongoing communication to generate new ideas, i.e. bi-weekly video or teleconferences. Utilizing a partner's human resources and networks helps expand the customer's base and the sales channel.

Trade Show in Japan

Are you looking for Japanese partners to establish a business in Japan? Participate in the "JETRO BIZMATCH" at this major trade show.

IT COMPANIES such as WiMaX, RFID, Next Generation Mobile Devices, Web 2.0, Wireless LAN/WAN, Online Security

Apply now! The deadline of July 15 for these free pre-arranged business match-making appointments is fast approaching.

JETRO BizMatch@CEATEC Japan 2009
October 6-8, 2009

The Combined Exhibition of Advanced Technologies
www.ceatec.com/2009/pre/en/index.html
October 6-10, 2009
Chiba (Tokyo area), Japan

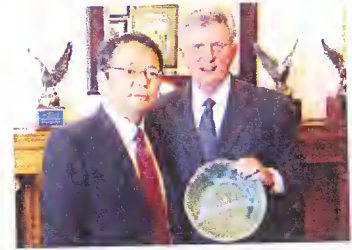
Go to www.jetro.org/ceatec2009
or contact Keith_Sanders@jetro.go.jp.

Around the Region



Mississippi Governor Haley Barbour welcomed Makoto Kimura to Jackson after first meeting him in October of 2008 at the Southeast U.S.-Japan Conference in Raleigh where Barbour was introduced to JETRO Chairman Yasuo Hayashi. Barbour was also a featured speaker in Kyoto at the STS Forum in September of 2006. The Governor said Mississippi exports to Japan increased to \$84 million in 2007, a 15% increase from 2004, and there are about 20 Japanese companies in Mississippi.

During a courtesy call with Arkansas Governor Mike Beebe in Little Rock, Makoto Kimura talked about the implications of Japanese manufacturing companies doing business in the State of Arkansas and their contribution to its economic development. Maria Haley, Executive Director of the Arkansas Economic Development Commission, accompanied Kimura to the state capitol and talked about the state's strategy having an active international business component.



Former U.S. Ambassador to Japan J. Thomas Schieffer met Makoto Kimura prior to the annual Awards Dinner of the Japan-America Society of Dallas/Fort Worth. Former Ambassador of Japan to the U.S., His Excellency Ryozi Kato, was the guest of honor and Senior Advisor to the State of Texas in Tokyo, Naoko Shirane, was recognized for her years of service. Schieffer, of Fort Worth, served in Tokyo under former U.S. President George W. Bush.

Do you have a trade inquiry?

JETRO-Houston can conduct research using our in-house references and answer your trade inquiries about doing business in Japan. Contact us directly by clicking on "Contact Us" at www.jetro.org and submit an inquiry.

JETRO Services

- JETRO-Houston can be catalyst for opening an office in Japan or investing in Japan.
- JETRO can be part of a company's strategic business plan and a ready resource for doing business with Japan.
- JETRO offers a number of complimentary business development services for U.S. companies that want to partner with Japanese companies or open an office in Japan.
- JETRO has a network with leading Japanese companies and hosts "BizMatch" programs that schedule pre-arranged business meetings with Japanese companies at major trade shows.
- JETRO offers free consultation on tax, accounting and legal issues and helps with office registration in Japan.
- JETRO offers free office space for up to fifty business days in six major Japanese metropolitan areas at "Invest Japan Business Support Centers" that includes referrals to bilingual specialists and other resources.

Go to www.jetro.org for the latest information on JETRO USA events or www.jetro.go.jp for JETRO's Japan Web site for an extensive listing of publications, programs, statistics and surveys about Japan.

JETRO welcomes your comments on international business development, current issues, and doing business in Japan. Please direct your correspondence to Thomas Conry, Editor, *JETRO-Houston e-Newsletter*, at Conry_Thomas@jetro.go.jp.

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